

Memorandum

To : Mr. Timothy W. Boyer
Interim Executive Director

Date: January 9, 2004

From : Ramon Hirsig, Deputy Director- Sales and Use Tax Department
David Gau, Deputy Director- Property and Special Taxes Department

Subject: Delegation of Authority for Relief of Interest

The Board's current delegations of authority to staff for issuing refunds, redeterminations, cancellations and relief of penalty are generally set at amounts of \$50,000 or less. Board staff has not received a delegation of authority to relieve interest due to disaster or unreasonable error or delay by Board employees. The Board is currently receiving such requests for relief of interest. Without a delegation of authority, all such requests for relief of interest must come before the Board for approval.

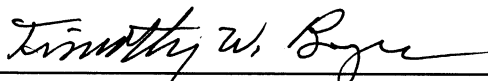
With regard to the Revenue and Taxation Code sections listed in the footnote below,¹ we recommend that the Board grant the Deputy Director of Sales and Use Tax and the Deputy Director of Property and Special Taxes, or the designees of each, a delegation of authority for relief of interest for amounts of \$50,000 or less.

With your approval, the attached memorandum requesting a delegation of authority for relief of interest will be placed on the January 27, 2004 Board Meeting Administrative Calendar.

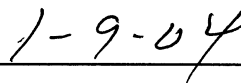
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Attachment

Approved: _____


Timothy W. Boyer

Date: _____



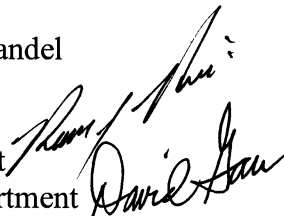
¹ Revenue and Taxation Code sections 6593, 6593.5, 7658, 7658.1, 8878, 8878.5, 11407, 11409, 12637, 30283, 30283.5, 32256, 32256.5, 38453, 38455, 40103, 40103.5, 41097, 41097.5, 43158, 43158.5, 45156, 45156.5, 46157, 46157.5, 50112.3, 50112.4, 55046, 55046.5, 60211, 60212 or similar sections authorizing relief of interest that may be subsequently enacted.

Memorandum

To : Honorable Carole Migden, Chairwoman
Honorable Claude Parrish, Vice Chair
Honorable Bill Leonard, Member, Second District (MIC 78)
Honorable John Chiang, Member, Fourth District
Honorable Steve Westly, State Controller, c/o Ms. Marcy Jo Mandel

Date: January 9, 2004

From : Ramon Hirsig, Deputy Director- Sales and Use Tax Department
David Gau, Deputy Director- Property and Special Taxes Department



Subject: Request for Delegation of Authority for Relief of Interest

The Sales and Use Tax Department and the Property and Special Taxes Department currently do not have a delegation of authority for relief of interest when a taxpayer's failure to timely pay tax is due to disaster or to unreasonable error or delay by Board employees. With regard to the Revenue and Taxation Code sections listed in the footnote below,¹ we recommend that the Board grant the Deputy Director of Sales and Use Tax and the Deputy Director of Property and Special Taxes, or the designees of each, a delegation of authority for relief of interest for amounts of \$50,000 or less.

Background

In the past, the Board did not have the authority to grant relief of interest. However, the Board now has statutory authority to relieve interest when a taxpayer's failure to timely pay tax is due to disaster or to unreasonable error or delay by Board employees. The Departments are now finalizing procedures for handling requests for relief of interest. To promote consistency, we are proposing procedures similar to those for handling requests for relief of penalty.

During the October 15, 2003 Board Meeting, the Board reconfirmed the relief of penalty procedures, which included a delegation of authority to grant relief of penalty for amounts of \$50,000 or less. Normally, a relief of penalty request will also include a request for relief of interest if the interest was due to disaster or to unreasonable error or delay by a Board employee. A delegation of authority for relief of interest will promote consistency in the handling of all such requests.

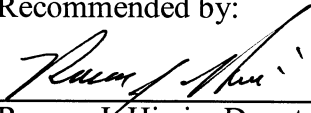
Recommendation

With regard to the Revenue and Taxation Code sections set forth in the footnote, we recommend that the Board grant the Deputy Director of Sales and Use Tax and the Deputy Director of Property and Special Taxes, or the designees of each, a delegation of authority for relief of interest for amounts of \$50,000 or less. Relief of interest for amounts above \$50,000 will be brought to the Board for approval.

¹ Revenue and Taxation Code sections 6593, 6593.5, 7658, 7658.1, 8878, 8878.5, 11407, 11409, 12637, 30283, 30283.5, 32256, 32256.5, 38453, 38455, 40103, 40103.5, 41097, 41097.5, 43158, 43158.5, 45156, 45156.5, 46157, 46157.5, 50112.3, 50112.4, 55046, 55046.5, 60211, 60212 or similar sections authorizing relief of interest that may be subsequently enacted. See Attachment for names of tax programs affected.

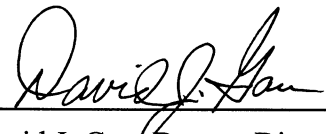
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Recommended by:



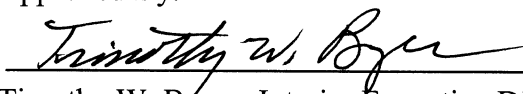
Ramon J. Hirsig, Deputy Director
Sales and Use Tax Department

and



David J. Gau, Deputy Director
Property and Special Taxes Department

Approved By:



Timothy W. Boyer, Interim Executive Director

BOARD APPROVED

at the _____, 2004 Board Meeting

Deborah Pellegrini, Chief
Board Proceedings Division

Attachment
Delegation of Authority for Relief of Interest Statutes

Revenue and Taxation Code	Tax Program	Type of Interest Relief
Section 6593	Sales and Use Tax	Relief due to disaster
Section 6593.5	Sales and Use Tax	Relief due to unreasonable error or delay by a Board employee
Section 7658	Motor Vehicle Fuel Tax	Relief due to disaster
Section 7658.1	Motor Vehicle Fuel Tax	Relief due to unreasonable error or delay by a Board employee
Section 8878	Use Fuel Tax	Relief due to disaster
Section 8878.5	Use Fuel Tax	Relief due to unreasonable error or delay by a Board employee
Section 11407	Private Railroad Car Tax	Relief due to disaster
Section 11409	Private Railroad Car Tax	Relief due to unreasonable error or delay by a Board employee
Section 12637	Tax on Insurers	Relief due to disaster
Section 30283	Cigarette and Tobacco Products Tax	Relief due to disaster
Section 30283.5	Cigarette and Tobacco Products Tax	Relief due to unreasonable error or delay by a Board employee
Section 32256	Alcoholic Beverage Tax	Relief due to disaster
Section 32256.5	Alcoholic Beverage Tax	Relief due to unreasonable error or delay by a Board employee
Section 38453	Timber Yield Tax	Relief due to disaster
Section 38455	Timber Yield Tax	Relief due to unreasonable error or delay by a Board employee
Section 40103	Energy Resources Surcharge	Relief due to disaster
Section 40103.5	Energy Resources Surcharge	Relief due to unreasonable error or delay by a Board employee
Section 41097	Emergency Telephone Users Surcharge	Relief due to disaster
Section 41097.5	Emergency Telephone Users Surcharge	Relief due to unreasonable error or delay by a Board employee
Section 43158	Hazardous Substances Tax	Relief due to disaster
Section 43158.5	Hazardous Substances Tax	Relief due to unreasonable error or delay by a Board employee
Section 45156	Integrated Waste Management Fee	Relief due to disaster
Section 45156.5	Integrated Waste Management Fee	Relief due to unreasonable error or delay by a Board employee
Section 46157	Oil Spill Response, Prevention and Administration Fees	Relief due to disaster
Section 46157.5	Oil Spill Response, Prevention and Administration Fees	Relief due to unreasonable error or delay by a Board employee
Section 50112.3	Underground Storage Tank Maintenance Fee	Relief due to disaster
Section 50112.4	Underground Storage Tank Maintenance Fee	Relief due to unreasonable error or delay by a Board employee
Section 55046	Fee Collection Procedures	Relief due to unreasonable error or delay by a Board employee
Section 55046.5	Fee Collection Procedures	Relief due to disaster
Section 60211	Diesel Fuel Tax	Relief due to disaster
Section 60212	Diesel Fuel Tax	Relief due to unreasonable error or delay by a Board employee